

More Companies Turn To Experts to Clear Files, Store Records WSJ • • 2/23/65 American Cyanamid Cuts Costs With New System; Federal Rules Add to Paperwork Bulk

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NEW YORK—A few years ago investigations by Federal agencies forced Pan American World Airways to save all its records, instead of periodically destroying them. In four years the contents of Pan Am's files doubled and if all the papers it was saving had been piled in a single stack they might have scraped the wings of a jet flying at 25,000 feet.

With the investigations ended, the airline now has climbed out of its paper fogbank. But the speed and immensity of its file build-up illustrates why more and more companies are relying heavily on the file-clearing expertise of specialists called records managers or archivists.

With business booming, American office workers are generating letters, vouchers, order forms, bills of lading and hundreds of other documents at a record rate—enough to fill an estimator 80 million file drawers a year. At the same time, many companies are moving into new office buildings where space is more expensive and where an excess of filing cabinets spoils the aesthetic effect office designers labored hard to achieve.

It's the records control specialist's job to see to it that outdated papers are tossed away, important ones kept on hand and papers that are neither useless nor important kept in some spot where they can be stored cheaply and gotten to if need be. At the same time, he strives to see to it that all information stored by the company, even in personal files, can be quickly obtained.

Postwar Development

Systematic records management and disposal is largely a post-World War II development. Many companies have adopted it only in recent years. The National Records Management Council (NRMC), a non-profit research and advisory agency based in New York City, estimates that the number of specialists in the field, judging from membership in three professional associations, has more than doubled in the past decade.

Several firms, including Bokins Van & Storage Co. in Los Angeles, offer corporations a records storage service while many large firms have set up their own well-organized archives. Among them is the Bell System, which once estimated all its file cabinets together would make a row 50 miles long. NRMC says it has helped 400 major companies set up records control facilities in recent years.

"It would be rare to find any company doing in excess of \$100 million in business annually that has not done something in this field," says Christopher A. Cameron, president of Leahy Archives, Inc., and Leahy & Co., a two-pronged Manhattan-based enterprise which stores records and helps companies set up controls to keep files from ballooning.

Leahy's four records storage centers—in New York City, Whitehouse, N.J., Elk Grove Village, Ill., and Miami, Fla.—resemble high-stack libraries except that the stacks contain file boxes instead of books. Leahy has 150 clients, 60 more than five years ago, including Pan Am, Florida Power & Light Co., Metro-Goldwyn-Mayer, Inc., and Singer Manufacturing Co. Records on file in its Whitehouse center range from bank trust account ledgers dating back to 1852 up to such current materials as copies of payroll checks, which usually are tossed out after two years.

Storage Schedules

Leahy archivists, working with the client, assign each type of record a "retention schedule" which sets a limit on how long it will be kept in storage. A very few, including most trust ledgers, are kept permanently. Some, such as extra copies of outgoing correspondence, are tossed out after six months. At Leahy storage centers workers see to it that disposal schedules are followed and also fish things out of their stacks to answer client inquiries. A large company, with 4,000 cubic feet of records, normally would pay between \$4,800 and \$5,500 a year for Leahy's storage and file management services, Mr. Cameron says.

To decide how long companies should keep each type of document, Leahy consultants use a number of guidelines. Some have been developed through research in various industries on such subjects as the elements of risk, say, in throwing out an employee's personnel records 10 years after he has left the company. But the most important guides are supplied by Federal and state governments in lists of rules on retention of records.

The Interstate Commerce Commission alone has 255 separate retention regulations for railroads, airlines and other carriers to follow. For instance, records of a damage claim must be

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retained at least four years after the settlement. Heavily regulated companies tend to have fat files. The average major airline will likely have 10,000 cubic feet of files, enough to fill about 1,700 four-drawer file cabinets, compared with around 2,000 cubic feet for a large non-regulated company, Leahy's Mr. Cameron says.

When it enters a company that has not had its files cleaned for some time, Leahy often finds it can throw away about half the records without serious danger of losing something important. Such a housecleaning, coupled with new retention schedules and other changes, cut American Cyanamid Co.'s annual record-keeping costs by some \$85,000 a few years ago. Rental of space occupied by each office file cabinet, plus amortization of the cabinet's initial cost, was costing Cyanamid \$8.72 a year. Files in storage were costing \$2.76 annually per cabinet to keep. Leahy tossed out 54% of the storage records and destroyed or transferred to storage 25% of the office records.

Studies show that it costs about \$140 a year to maintain a four-drawer file cabinet, including file clerk salaries as well as space costs and cabinet amortization. One management consultant has estimated that of each 100 pieces of paper filed in the average well-run office only 20 will ever be called back for reference.

Leahy is specializing increasingly in helping companies retain records of the best thoughts of employees who are paid throughout their careers mainly to think. Often the memos, notes and other personal papers of scientists, lawyers and other professionals are lost to the company when the man retires or leaves, Mr. Cameron says. Leahy specialists currently are working with the research arm of a major oil company to try to draw important findings out of personal records and incorporate them into a central system which any researcher, tackling a problem, can draw upon. The same approach is being tried with several large law offices.

This information is often valuable even before a man leaves, since employees in some firms are known to labor hard on problems that lie solved in another employee's files, Mr. Cameron says.